

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL PACKAGE SERVICE (FCPS)
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-2

**RESPONSE OF POSTAL SERVICE WITNESS KIM TO
PUBLIC REPRESENTATIVE INTERROGATORY PR/USPS-T2-1**

The United States Postal Service hereby provides the response of Witness Michelle Kim to the above-listed interrogatory, posed by the Public Representative on July 16, 2021. The question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIM
TO INTERROGATORIES OF THE PUBLIC REPRESENTATIVE**

PR/USPS-T2-1. Please refer to USPS-T-2, at 8, lines 5-10. Witness Kim states that “[b]ased on preliminary estimates, [W]itness Hagenstein projects a 14 to 28 percent reduction in capacity on the Inter-[Network Distribution Center (NDC)] network and a 6 to 8 percent reduction in capacity on the Intra-NDC network. If these preliminary estimates prove valid once more robust modeling efforts are completed, this optimization of the NDC network could result in an additional \$62 to \$116 million in savings.”

- a. Please provide a disaggregated yearly cost savings of \$62 to \$116 million based on time line provided by Witness Hagenstein on the transition of the NDCs to Regional Distribution Centers.¹

RESPONSE:

- a. Please see the response of witness Hagenstein to PR/USPS-T1-9. The \$62 to \$116 million in savings within this network are annual savings that would be expected after such time as the NDCs are transitioned to RDCs and the surface networks are merged.

¹ See Public Representative’s Second Set of Interrogatories and Request for Production to United States Postal Service Witness Stephen B. Hagenstein (PR/USPS-T-1), July 16, 2021, question 1.